

CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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SUBJECT 1952 Capital Investment Plans
of the Main Administration of
the Polygraphic Industry

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- The following is a list of the planned capital investments for 1952 and the degree to which they were realized by the Main Administration - Polygraphic Industry, Ministry of Light Industry:

Item	<u>1952 Planned Increase in Production</u>	<u>Increase Realized by 31 December 1952</u>
Cellulose	30,400 metric tons	17,240 metric tons
Staple fiber	3,600 metric tons	1,800 metric tons
Sodium hydroxide (Ätznatron)	600 metric tons	-
Paper	3,750 metric tons	3,385 metric tons
Fiberboards (Faserplatten)	2,500 cubic meters	-

- The planned increase of 8,000 metric tons in the production of cellulose at Zellstoff-und Papierfabrik Trebsen for 1952 could not be attained, because the necessary installations, such as the boilers, the material processing machine, the drainage machine, and the furnace house, were not completed.
- The planned increase of 7,900 metric tons in the production of cellulose at Zellstoff-und Zellwollewerke Wittenberge was realized by only 1,500 metric tons, because the furnace house and alkali boiler were not completed. The planned increase of 3,600 metric tons in the production of staple fiber was realized by only 1,800 metric tons, because the filter presses necessary for the increased production were not delivered.
- The planned increase of 600 metric tons in the production of sodium hydroxide at Zellstoffwerke Pirna was not realized, because the contact transformer (Kontaktumformer) was not delivered. The planned increase of 2,500 cubic meters in the production of fiberboards at the Zellstoff-und Papierfabrik Rosenthal was not attained, because the fiberboard installation would not be finished before the end of the second quarter of 1953.

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5. The planned increase of 1,200 metric tons in the production of paper at Fein-papierfabrik Koenigstein was realized by only 800 metric tons, since the glassine installation (Pergaminanlage) was not in operation, because of the lack of parts for the calender.
6. The following shows the planned and actual allocations for the capital investments by the Main Administration - Polygraphic Industry, Ministry of Light Industry. The amounts are in thousands of eastmarks..

	<u>1952 National Economic Plan</u>	<u>Planned as of December 1952</u>	<u>Actual Investments</u>
Main installations	40,658	39,454	35,735.4
Auxiliary installations	2,250	2,306.9	1,995.2
Total	42,908	41,760.9	37,720.6

7. The sums allotted were reduced during 1952, because the planned expansion of production was not realized. Some projects had been taken from the 1953 into the 1952 investment plan; these were principally projects of the power program, such as the turbines at Wittenberge and Crossen.
8. Projects necessary for the carrying out of the 1952 investment plans could not be completed smoothly. The difficulties were attributed by the Central Planning Office (ZPB), Heidenau, to the continual changes effected during the course of the year. There were also delays in the preliminary work, such as surveying and drilling, because the offices concerned were overloaded with work. Further delays were caused by the failure of the machine construction plants to finish the technical blueprints on time. This was particularly the case with the fiberboard installation at Rosenthal. A part of the installations delivered by the Pama Paper Machine Factory at Freiberg, had to be reconstructed, which also led to considerable delays.
9. The planning for 1953 does not look too favorable either, because it will meet with the same difficulties as in 1952. The changes in the design of the turbine driven auxiliaries will cause further delay. The size of the turbine is greater than was anticipated, requiring new foundations and even new sites.
10. It was also reported that the important machine construction plants did not want to conclude any more contracts for 1953, since they were already overloaded with contracts through the second quarter of 1954. Thus, there were difficulties in placing contracts for motors and pumps. Rohrleitungsbau Bitterfeld refused contracts for projects in Trebsen and Wittenberge, because it was overloaded with work.
11. The amount approved in the 1952 National Economic Plan for the Main Administration - Polygraphic Industry for general repairs was 8,453,000 eastmarks. This was changed to 8,129,000 eastmarks. 8,002,000 eastmarks of this amount were realized. The changes were caused in part by the separation of the following plants from the control of Polygraphic Industry: Filmkopierwerke Koepenick, Filmstudio Babelsberg, and Berliner Druckhaus Michaelkirchstrasse.
12. The Polygraphic Industry was accorded an additional 122,000 eastmarks from the total sum accorded the Ministry of Light Industry, in order to cover the most necessary general repairs.

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13. Of the amount spent on general repairs, 5,403,300 eastmarks were spent on equipment and 2,725,700 eastmarks were spent on construction. In reference to the 1953 planned general repairs, it is to be recognized that most of those plants under the Polygraphic Industry are old plants. Thus a depreciation quota of 40 percent for the adjustment of value is considered too small in order to carry out the general repairs necessary to continue production.

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